Workforce Safety & Insurance
To us, it's personal.

LEARNING MANAGEMENT SYSTEM

Business Case

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1 Project Description

North Dakota Workforce Safety & Insurance (WSI) has a need to deliver online training/e-learning to its policyholders regardless of where they live. WSI will develop a Request for Proposal (RFP) seeking a qualified vendor to provide a comprehensive Learning Management System (LMS) that will provide the capability of delivering training to its external customers. The selected vendor will implement the solution during the 4th quarter of 2006.

2 Business Need/Problem

Safety training provided by WSI today can only reach those with convenient access to instructor-lead training. It is necessary for employers in North Dakota to wait until a conference or training session is available in their area to train on new safety procedures or WSI initiatives. Therefore, timely safety training for WSI policyholders has not always been possible or practical.

3 Solution

A successful solution would be the implementation of an LMS that facilitates learner access to all e-learning content by WSI's external customers. The solution would also provide web-based access to class information, registration, individual training records, and other training administrative functions as well as maintain records and exchange data with other systems in use at WSI. A virtual classroom capability will enable WSI to provide remote learning opportunities for external customer. The solution will include e-learning authoring tools to enable classroom trainers to quickly and easily create quality, interactive web-based e-learning training.

Due to the rural nature of North Dakota, online safety training can reach those previously without convenient access to instructor-lead training. No longer will it be necessary to wait until a conference or training session in remote areas is available to train on new safety procedures or WSI initiatives. Through online safety training, WSI policyholders will be able to quickly train new and existing employees, and provide immediate training for new procedures that previously may not have been possible or practical.

4 Consistency/Fit with WSI Mission

The strategic goals for WSI are as follows:

1. Develop and Expand a More Proactive Safety Program
2. Streamline Reporting/Processing
3. Improve Communications With our Customers
4. Achieve/Guarantee Data Systems/Data Integrity
5. Fund Solvency with Integrity
6. Enhance Staff Development

Execution of this project as described in this Business Case will allow WSI to leverage new technologies to achieve these desired goals. The LMS solution will allow WSI to deliver a value proposition that states "we can now deliver safety training that can reach you regardless of where you are in the state of North Dakota." The more WSI customers use the training program, the more they will be able to solve their own training challenges thus benefiting WSI field staff by freeing time for more productive activities.

5 Cost Benefit Analysis

There are generally two reasons that an organization allocates resources to a technology project. The first is environmental (legislatively mandated or customer driven), and the other being financial (the organization is expecting a significant return on their investment). This business case provides justification for implementing a LMS on both environmental and financial grounds.

Estimates of costs and the potential savings shown below represent a best effort evaluation utilizing expertise and resources from within the WSI organization and based on a high-level analysis of the Request for Information (RFI) responses received by WSI in March 2006. The actual results cannot be easily measured or guaranteed, and will not be fully realized until after the LMS is in production.

5.1 Anticipated Benefits

The anticipated benefits include:

- Reducing the number of injuries to North Dakota's workforce.
  - 90% of injury is caused by unsafe acts. This project will help teach employees safe behaviors to exhibit while at work.
  - Most injuries occur within the first 6 months of employment due to lack of experience and lack of training.
- Reaching all employees, including the front line employee who is exposed to most hazards and those on shift work. Current training options do not allow for all employees to leave work to attend training. Therefore, they receive the training second hand or not at all.
- Providing better management of training. The training manager will be able to control every aspect of administration, such as determining who should take the courses and set required pass/fail levels. Automatic testing and recordkeeping will save WSI policyholders and their employees a great deal of time.
- Provide better training. The training will be self-paced allowing workers to stop and start the e-learning sessions when it is convenient for them. The e-learning environment will also ensure the same information is taught to every learner accurately and consistently throughout an organization.
- Provide more timely training. Changes or corrections to existing e-learning modules or the development of new material can be authored and delivered quickly.

5.2 Cost Estimate

The following project costs were formed after high-level analysis of the Request for Information (RFI) responses received by WSI in March 2006. WSI personnel are not included in the budget costs.

LMS Project Implementation Costs			
Project Component	**Description**	**Implementation Cost**	**Ongoing Annual Cost**
Hardware		20,000-50,000	
Software		80,000-200,000	
Services		100,000-150,000	
Total Implementation Cost		**$200,000-400,000**	
Total Ongoing Annual Cost			**50,000-150,000**

5.3 Cost/Benefit Analysis

The following summarizes the potential cost savings and compares them to the overall cost estimates.

LMS Project Cost/Benefit Analysis		
Project Component	**Cost**	**Payback Period**
Annual Cost Savings	150,000-250,000	
Ongoing Annual Cost	50,000-150,000	
Net Annual Savings	**100,000-200,000**	
Implementation Cost	200,000-400,000	
Project Payback Period		**1-4 years**

6 Project Risks

A risk is a possible undesirable and unplanned event that could result in the project not meeting one or more of its objectives (e.g. functionality, cost, or schedule). Risks associated with implementing this project and the related mitigation actions are identified below.

Risk	Description/Definition	Risk Management
Changes in Scope Probability: L Impact On: Cost: H; Schedule: H; Function: M	Scope changes can take several forms, including the functions to be addressed, the number of organization units to be involved, the level of detail of products, the specific products to be provided, the allocation of resources, etc. Each change has the potential to put timely project completion at risk, or to cause rework or to examine task/product incompatibilities.	**Mitigation Actions**: Implement and ensure strict change control processes are adhered to at all times. **Contingency Plan**: Call an emergency meeting of the project Executive Steering Committee members to address issues and define impact at a contractual level.

Risk	Description/Definition	Risk Management
Schedule Slippage Probability: M Impact On: Cost: M; Schedule: H; Function: L	Schedule slippage is the failure to deliver intended artifacts according to the schedule in the project plan. WSI and the selected vendor can cause slippage. Such slippage can have a domino effect on subsequent tasks in the project and can put actions and benefits dependent upon timely project completion in jeopardy.	**Mitigation Actions**: Weekly status reports and meetings between Project Managers that will address schedule, identifying any expected changes to deliverable dates. Actions to take will be defined at these meetings. **Contingency Plan**: Increase resource allocation to the project to bring the schedule back on track.

Risk	Description/Definition	Risk Management
Resource Availability, Coordination and Diversion Probability: H Impact On: Cost: H; Schedule: H; Function: M	Insufficient resources mean that appropriately skilled individuals are not available when needed. Lack of the necessary skills on the project team not only causes a shortage of resources needed to get the work done, but can reduce the productivity of other team members. Reassignment of team members to another team or to work outside the project is costly in terms of time lost in obtaining a replacement and learning curve for the replacement.	**Mitigation Actions**: Resources assigned to this project must make the project a top priority at all times. Requests for time outside of the project must only be agreed to after assurance that the project timeline is not impacted. **Contingency Plan**: Formally raise issues to the responsible party's executive team. If commitment cannot be maintained, additional resources may be assigned to the project to fill the resource gap.

Risk	Description/Definition	Risk Management
Missed/Misunderstood Requirements During Spec Phase Probability: M Impact On: Cost: H; Schedule: H; Function: M	It is crucial that all questions are asked and all information required for the configuration of the system be addressed during the specification phase. If items are missed or misunderstood, the project timelines could slip or rework may be required.	**Mitigation Actions**: Implementing peer-review strategy. Specification walkthroughs prior to sign-off including WSI and the selected vendor. **Contingency Plan**: Use change control process to define specification criteria.

Risk	Description/Definition	Risk Management
Production Environment Probability: L Impact On: Cost: M; Schedule: M; Function: M	The production environment must be capable of accommodating the new system or system changes.	**Mitigation Actions**: Take adequate measures and conduct tests to ensure that the production environment is stable enough to support new developments. **Contingency Plan**: Call an emergency meeting of the project Executive Steering Group members to address issues and define impact at a contractual level.

Risk	Description/Definition	Risk Management
Withheld Information Probability: L Impact On: Cost: M; Schedule: M; Function: H	Information regarding current systems and technology withheld from the project team may severely jeopardize the accuracy of the project results. Information can be deliberately withheld, withheld through carelessness or the failure to understand what is needed. In any case, the impact is the same.	**Mitigation Actions**: **Contingency Plan**: